

BOSTON REDEVELOPMENT AUTHORITY

REPORT AND DECISION ON THE APPLICATION OF FRANKIE O'DAY CORPORATION FOR THE AUTHORIZATION AND APPROVAL OF A PROJECT UNDER MASSACHUSETTS GENERAL LAWS (TER. ED.) CHAPTER 121A AS AMENDED, AND CHAPTER 652 OF THE ACTS OF 1960, TO BE UNDERTAKEN AND CARRIED OUT BY A CORPORATION ORGANIZED PURSUANT TO M.G.L., C. 156B, AND APPROVAL TO ACT AS AN URBAN REDEVELOPMENT CORPORATION UNDER SAID CHAPTER 121A

A. The Hearing. A public hearing was held at 1:30 p.m. on July 17, 1980, in the offices of the Boston Redevelopment Authority (hereinafter called the "Authority"), at City Hall, Room 921, Boston, Massachusetts 02201, by the Authority on an Application dated June 18, 1980, (hereinafter called the "Application"), filed by Frankie O'Day Corporation for authorization and approval of a redevelopment project under Chapter 121A of the General laws of the Commonwealth of Massachusetts and Chapter 652 of the Acts of 1960, as amended, (hereinafter called the "Project"), due notice of said hearing having been given previously by publication on July 7, 1980, and July 14, 1980 in the Boston Herald American, a daily newspaper of general circulation published in Boston and mailing postage prepaid in accordance with Rule 4 of the Rules and Regulations of the Authority for securing approval of Chapter 121A projects, and in accordance with the provisions of Section 13 of Chapter 652 of the Acts of 1960, as amended. Robert L. Farrell, Chairman of the Authority, James G. Colbert, Joseph J. Walsh, James K. Flaherty, and James E. Cofield, Jr., members of the Authority, were present at the hearing.

B. The Project. The proposed development area is located on Columbus Avenue, numbers 360 through 376, owned by the Authority and known as Boston Redevelopment Authority disposition parcel RR-102 and a portion of lot RR-122 in the South End Urban Renewal Area. A full metes and bounds description can be found in the Application. The Authority finally designated the Applicant as redeveloper of the Project Area on July 17, 1980.

The Project consists of the purchase by the Applicant of the proposed Project Area from the Authority and the substantial rehabilitation, construction, operation and maintenance by the Applicant of twenty seven (27) units of housing, on a cooperative basis, for individuals and families of moderate means within the Project Area.

Approximately ten of the units will be one-bedroom units, twelve of the units will be two-bedroom units, three of the units will be three-bedroom, one will be a four bedroom and one will be a five bedroom unit, all in accordance with the plans submitted to the Authority with the Application under separate cover.

The Project will, in addition, be constructed, operated and maintained in accordance with applicable laws and regulations governing multi-family projects whose mortgage financing is provided by the HUD 312 Multi-Family Urban Homesteading Program, as long as the loans are outstanding.

The twenty seven (27) dwelling units will be occupied by the Corporation's twenty-seven stockholders. The expected types of occupants will include families and individuals in the lower middle income range through a cooperative vehicle.

The cooperative project, which will utilize sweat equity contribution by the proposed occupants, will be used as a model throughout the United States for the Multi-family 312 Urban Homesteading Program under the Department of Housing & Urban Development.

C. Authority Action. In passing upon the Application, the Authority has considered the Application itself, all documents, plans and exhibits filed therewith or referred to therein, the oral evidence presented at the hearing, the exhibits offered in evidence at the hearing, and arguments and statements made at the hearing.

D. Project Area. The Project as defined in the Application constitutes a "Project" within the meaning of Section 1 of Chapter 121A of the General Laws, providing, as it does, for the acquisition, rehabilitation and construction in a substandard and decadent area of decent, safe, and sanitary housing for moderate and middle income individuals and families.

The Project Area is located within a larger area known as the South End Urban Renewal Area, and has been declared by the Authority under Chapter 121B of The General Laws to be blighted open, substandard and decadent. Such determination was made by the Authority in its vote adopting the South End Urban Renewal Plan. This plan was adopted by the Authority on September 23, 1965, approved by the City of Boston on December 6, 1965, and by the Division of Urban and Industrial Renewal on June 18, 1966.

The interior of the buildings need total rehabilitation work. All the major systems of the buildings must be replaced, including wiring, heating, plumbing, windows, flooring, ceiling, walls, bathrooms and kitchens.

The deplorable interior conditions of the buildings are illustrated by photographs of the interiors and a description by the architect of necessary rehabilitation, both set forth in Appendix Item #4 of the Application.

The Site would not be developed without the real estate taxes being limited to a percentage of the project's estimated gross annual income, evidenced by the requirement of the mortgage lender attached to the Application. Percentage levels as a basis for taxation can only be lawfully agreed to by the City of Boston under G.L. Chapter 121A, Section 6A. These conditions and other factors referred to in the Application and this Report and Decision warrant the carrying out of the Project in accordance with Chapter 121A.

It has been previously found that the Project Area is a blighted, decadent and substandard area within the meaning of Chapter 121A, as amended. It is unlikely that the conditions will be remedied by the ordinary operations of private enterprise.

The Project will provide substantial financial return to the City of Boston. The amounts to be paid in lieu of real estate taxes by the Applicants are set forth in the Application. There shall be paid to the City of Boston a percentage payment in lieu of real estate taxes, in each of the twenty five (25) calendar years after approval of the Project.

E. Cost of the Project. In the opinion of the Authority, the cost of the Project has been realistically estimated in the Application and the Project is practicable.

The estimated minimum cost of the Project as set forth in the HUD application will be approximately \$771,000 (Seven Hundred Seventy-One Thousand Dollars).

The Applicant has received a commitment from HUD for Seven Hundred and Three Thousand Five Hundred Dollars for approximately 91% construction and permanent financing of the total cost of the Project, under the HUD 312 Multi-Family Urban Homesteading Demonstration Program.

Each potential occupant will supply a minimum of \$2,500 in sweat equity during the construction process for a minimum total of \$67,500. Each unit owner also will provide cash, if required, from \$2,000 to \$3,500, depending on the size of the unit, to be used as a construction contingency, for an approximate total of \$81,000. In the event the contingency fund is not needed, the Corporation will retain approximately \$16,000 as an operating contingency fund.

The Applicant will pay interest on the construction and permanent loan at the rate of 3%. The payment to principal and interest, however, shall not commence until Occupancy Permits are issued. The term of the permanent loan shall be twenty (20) years from the start of construction. Further details on the amounts, terms and conditions to the Applicant's financing, can be found in Exhibit No. 5 to the Application.

In order to assure that the cooperative units continue to remain available to families and individuals of lower middle income means, the cooperators are restricted in the amount of transfer price they can receive when they sell and they are also restricted to selling to people in either low or middle income ranges.

Without a 121A determination by the Authority, the Project would not be feasible. The Project is financed by HUD and without said funding the Project could not go forward. A condition of the Department of Housing & Urban Development for loan closing is that the Applicant receive a 121A determination for the Project and that said determination contain provisions for a contract under Section 6A of Massachusetts General Laws, Chapter 121A.

The only persons who will have a direct or indirect beneficial financial interest in the Project at or prior to completion of the Project is the Frankie O'Day Corporation, the United States Department of Housing and Urban Development and the selected cooperators who will occupy the Project after completion, such list presently consisting of:

Michael & Bill Ambrosini
Linda Bergendahl
Alan Berman & Mary Lynn
Jeanne Bruno
Velma L. & William J. Cullinane
Pat & Paul Eng
Arthur Erikson
Elmer Freeman/Carlene Chisom
Donald B. Halfkenny/Karen Pressman
Matthew Hollindshead
Wendy Jamieson
Gary Kichline
Horace Mann
Ms. Marjorie Powell
Geraldine Rackard
Lesyslie Rackard
Ms. Linda Stampler
Edward & Tillyruth Teixeira
Manny Teixeira
Jacqueline Townes
Michael Townes
Douglas Williams/Marjorie Norwood
K.C. Williamson

F. Consistency with Master Plan. The Project does not conflict with the Master Plan for the City of Boston as the Project Area comes within a classification in the Master Plan which permits buildings and uses of the kind proposed by the Applicants.

G. Effect of the Project. The Project will not be in any way detrimental to the best interests of the public or the City of Boston or to the public safety and convenience and is not inconsistent with the most suitable development of the Project Area neighborhood or of the City. The Project will, in fact, forward the best interests of the City and will constitute a public use and benefit. Such opinion is supported by the fact the Mayor's Office of Housing, Development and Construction has assigned a consultant to assist with the Project and has provided financial support by funding required legal services and by the letter of support attached as Exhibit 17 to the Application. Both Tent City Task Force and the South End Project Area Committee have indicated their support and their letters of support are attached to the Application as Exhibit 17. The Plans of the structures to be rehabilitated with the Project Area have been reviewed by the Design Review Staff of the Authority. The Authority finds that this Project will enhance the general appearance of the area and will furnish attractive and necessary landscaping and provide much housing for lower middle and moderate income individuals as well as providing ownership benefits. The Project will have a positive economic impact on the neighborhood surrounding the Project Area and on the City of Boston. During construction of the Project, the Project's general contractor will be required, to the best of its ability, to grant preference in hiring to Boston residents.

H. Environmental Considerations. Pursuant to the provisions of regulations implementing the Massachusetts Environmental Policy Act 301 CMR 10.32 (3) (h), the Project has been categorically excluded from the filing of any environmental report.

In order to avoid or minimize any damage to the environment, the Authority hereby requires that the applicant comply with the City of Boston Air Pollution Control Commission's Regulations for the Control of Noise and Regulations for the Control of Atmospheric Pollution during all phases of construction activity. Furthermore, if the rehabilitation involves any abrasive blasting, the contractor must submit an application for an Abrasive Blasting Permit to the City of Boston Air Pollution Control Commission prior to initiation of such activity. However, in compliance with the historic preservation guidelines of the Secretary of the Interior, no abrasive blasting or exterior surfaces shall be permitted.

I. Minimum Standards. The minimum standards for financing, construction, maintenance and management of the Project as set forth in Exhibit 16 filed with and attached to the Application, are hereby adopted and imposed as Rules and Regulations (in addition to those hereinafter adopted and imposed) applicable to this Project for the same period as the Project is subject to the provisions of Chapter 121A of the General Laws and Chapter 652 of the Acts of 1960, as amended.

In addition to the minimum standards set forth in Exhibit 16 the Authority hereby requires that the Applicants, prior to obtaining a building permit, (1) enter into a Regulatory Agreement with the

Authority pursuant to the requirements of General Laws, Chapter 121A Section 18C, and containing such other terms and conditions as the Authority may in its discretion deem necessary and appropriate; (2) submit to the Authority for its review and approval all plans and specifications for the Project as the Authority may require and accept such changes and modifications thereto as the Authority may deem necessary or appropriate, and (3) adhere to such design review controls and requirements as the Authority may in its discretion impose.

The carrying out of the Project will not require the grant of a permit for the erection, maintenance and use of a garage within 500 feet of one or more buildings occupied in whole or in part as a public or private school having more than 50 pupils, or as a public or private hospital having more than 25 beds, or as church.

The proposed Project, abutting a major traffic artery, will have no substantial impact on traffic in the neighborhood because the property has been used for residential purposes in the past and many of the proposed occupants do not have cars.

The Project does not involve the construction of units which constitute a single building under the State Building Code and zoning laws, G.L. c. 138.

J. Zoning Code Deviations. Exhibit 11 to the Application lists the zoning code deviations requested. Such request to deviate from the open space requirement for the building located at 362 Columbus Avenue is the result of an existing pre-code condition. For the reasons set forth in the Application and the evidence presented at the hearing, the Authority finds that the deviations attached hereto and incorporated by reference as Exhibit A is necessary for the carrying

out of the total project and therefore is granted without substantially derogating from the intent and purposes of the applicable laws, codes, ordinances and regulations respectively.

K. Duration of Period of Tax Exemption. The Applicant requests an extension of ten (10) years to the base term of fifteen (15) calendar years for the Project's period of tax exemption pursuant to applicable provisions of Chapter 121A.

This request is based on the fact that the Applicant is proposing a project that is located within the South End National Register District. The rehabilitation of these buildings, located on a major thoroughfare in the South End, will be a highly visible reminder of Boston's past and will further strengthen the development of the historic district, for the benefit of both residents and tourists. The Authority hereby grants such extension as the basis for the requested extension falls within those set forth in the statute.

L. Decision. For all the reasons set forth in the foregoing report, the Authority hereby approves the undertakings by the Applicant of the Project pursuant to Chapter 121A of the General Laws and Chapter 652 of the Acts of 1960, subject to the provisions as set forth above.

EXHIBIT A
ZONING DEVIATIONS

Article 17. OPEN SPACE REQUIREMENT FOR RESIDENCES. REQUIRED,
150 SQ. FT./DWELLING UNIT

Permission to reduce minimum usable open space
per dwelling unit (D.U.) for following buildings:

<u>Address</u>	<u>Existing</u>	<u>Required</u>	<u>#D.U.</u>	<u>Sq.Ft./D.U.</u>
362 Columbus Ave. (combined 360-362)	667 sq.ft.	1,050 sq.ft.	7	95 sq.ft.

VARIANCE RESULT OF EXISTING PRE-CODE CONDITION

July 31, 1980

MEMORANDUM

TO: BOSTON REDEVELOPMENT AUTHORITY 3972

FROM: ROBERT J. RYAN, DIRECTOR

SUBJECT: CHAPTER 121A APPLICATION OF FRANKIE O'DAY CORPORATION

On July 17, 1980, the Authority conducted a public hearing to consider the above-captioned 121A Application.

The Project consists of the acquisition from the Authority, rehabilitation, operation and maintenance of disposition parcel RR-102 and a portion of parcel RR-122, numbered 360 through 376 Columbus Avenue in the South End Section of Boston into 27 units of moderate income cooperative housing.

Authority staff has examined the Application and found that it contained sufficient evidence in support of the Project to make those findings and determinations necessary to proceed with the approval of the Project.

It is therefore recommended that pursuant to Chapter 121A of the General Laws, the Authority adopt the Report and Decision approving the Project.

An appropriate vote follows:

VOTED: That the document presented at this meeting entitled "Report and Decision on the Application of Frankie O'Day Corporation for the Authorization and Approval of a Project under Massachusetts General Laws (Ter. Ed.) Chapter 121A, as Amended and Chapter 652 of the Acts of 1960, to be Undertaken and Carried Out by a Corporation Organized Pursuant to M.G.L. c. 156B and Approval to Act as an Urban Redevelopment Corporation Under Said Chapter 121A" be and hereby is approved and adopted.

